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Bruce K. Cox
Government Affairs Director

Suite 1000
1120 20th Street, N.W.
Washington, DC 20036
202 457-3686
FAX 202 457-2545
ATTMAIL lbkcox

March 23, 1995

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, D. C. 20554

RECEIVED

MAR 23 1995

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: Ex Parte Meeting
CC Docket No. 94-1
Price Cap Performance Review for Local Exchange Carriers

Dear Mr. Caton:

On Wednesday, March 22, 1995, as requested by Commissioner Rachelle B. Chong, I provided the attached twenty-four alternative scenarios to Mr. Richard Welch. Please include this in the record of this proceeding.

In accordance with Section 1.1206(a)(1) of the Commission's Rules and due to the lateness in the day, two (2) copies of this Notice are being submitted to the Secretary of the FCC on Thursday, March 23, 1995.

Sincerely,

Bruce K. Cox

Attachments

cc: Commissioner Chong
Mr. Welch

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**CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	2.00%		4.50%	
REINITIALIZATION =	2.00%		2.00%	
SHARING	YES		NO	
50% ABOVE	12.25%		0.00%	
LFAM @1% BELOW	11.25%		0.00%	
100% ABOVE	13.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-6/98)				
	LOW PLAN	HIGH PLAN		
	RATE OF RETURN	RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	13.67%	15.96%	HIGH	15.96%
BELL ATLANTIC	13.03%	12.23%	LOW	13.03%
BELLSOUTH	13.03%	15.89%	HIGH	15.89%
NYNEX	12.12%	9.82%	LOW	12.12%
PAC TEL	13.39%	14.89%	HIGH	14.89%
SW BELL	13.91%	12.35%	LOW	13.91%
USWEST	14.40%	13.51%	LOW	14.40%
TOTAL RBOC	13.31%	13.45%		14.27%
			LOW PLAN CO.'S=	13.31%
			HIGH PLAN CO.'S=	15.67%
			COMPOSITE "X"=	3.04%

**CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	2.00%		4.50%	
REINITIALIZATION =	3.00%		3.00%	
SHARING	YES		NO	
50% ABOVE	12.25%		0.00%	
LFAM @1% BELOW	11.25%		0.00%	
100% ABOVE	13.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
	RBOC RESULTS (7/95-6/98)			
	LOW PLAN	HIGH PLAN		
	RATE OF RETURN	RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	13.47%	15.50%	HIGH	15.50%
BELL ATLANTIC	12.76%	11.81%	LOW	12.76%
BELLSOUTH	12.89%	15.45%	HIGH	15.45%
NYNEX	11.79%	9.43%	LOW	11.79%
PAC TEL	13.24%	14.45%	HIGH	14.45%
SW BELL	13.58%	11.96%	LOW	13.58%
USWEST	14.22%	13.12%	LOW	14.22%
TOTAL RBOC	13.08%	13.03%		13.92%
			LOW PLAN CO.'S=	13.03%
			HIGH PLAN CO.'S=	15.22%
			COMPOSITE "X"=	3.04%

CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	2.00%		4.50%	
REINITIALIZATION =	2.00%		2.00%	
SHARING	YES		NO	
50% ABOVE	11.75%		0.00%	
LFAM @1% BELOW	11.75%		0.00%	
100% ABOVE	12.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-6/98)				
	LOW PLAN	HIGH PLAN		
	RATE OF RETURN	RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	12.37%	15.96%	HIGH	15.96%
BELL ATLANTIC	11.81%	12.23%	HIGH	12.23%
BELLSOUTH	11.67%	15.89%	HIGH	15.89%
NYNEX	12.10%	9.82%	LOW	12.10%
PAC TEL	12.29%	14.89%	HIGH	14.89%
SW BELL	13.10%	12.35%	LOW	13.10%
USWEST	13.30%	13.51%	HIGH	13.51%
TOTAL RBOC	12.32%	13.45%		13.90%
			LOW PLAN CO.'S=	12.54%
			HIGH PLAN CO.'S=	14.44%
			COMPOSITE "X"=	3.77%

**CC DOCKET 84-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	2.00%		4.50%	
REINITIALIZATION =	3.00%		3.00%	
SHARING	YES		NO	
50% ABOVE	11.75%		0.00%	
LFAM @1% BELOW	11.75%		0.00%	
100% ABOVE	12.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-6/98)				
	LOW PLAN	HIGH PLAN		
	RATE OF RETURN	RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	12.16%	15.50%	HIGH	15.50%
BELL ATLANTIC	11.63%	11.81%	HIGH	11.81%
BELLSOUTH	11.53%	15.45%	HIGH	15.45%
NYNEX	11.92%	9.43%	LOW	11.92%
PAC TEL	12.14%	14.45%	HIGH	14.45%
SW BELL	12.91%	11.96%	LOW	12.91%
USWEST	13.16%	13.12%	LOW	13.16%
TOTAL RBOC	12.16%	13.03%		13.55%
			LOW PLAN CO.'S=	12.63%
			HIGH PLAN CO.'S=	14.24%
			COMPOSITE "X"=	3.44%

**CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	2.00%		5.50%	
REINITIALIZATION =	2.00%		2.00%	
SHARING	YES		NO	
50% ABOVE	12.25%		0.00%	
LFAM @1% BELOW	11.25%		0.00%	
100% ABOVE	13.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-8/98)				
	LOW PLAN RATE OF RETURN	HIGH PLAN RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	13.67%	15.04%	HIGH	15.04%
BELL ATLANTIC	13.03%	11.40%	LOW	13.03%
BELLSOUTH	13.03%	15.03%	HIGH	15.03%
NYNEX	12.12%	9.06%	LOW	12.12%
PAC TEL	13.39%	14.04%	HIGH	14.04%
SW BELL	13.91%	11.57%	LOW	13.91%
USWEST	14.40%	12.74%	LOW	14.40%
TOTAL RBOC	13.31%	12.62%		13.91%
			LOW PLAN CO.'S=	13.31%
			HIGH PLAN CO.'S=	14.79%
			COMPOSITE "X"=	3.44%

**CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	2.00%		5.50%	
REINITIALIZATION =	3.00%		3.00%	
SHARING	YES		NO	
50% ABOVE	12.25%		0.00%	
LFAM @1% BELOW	11.25%		0.00%	
100% ABOVE	13.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-6/98)				
	LOW PLAN	HIGH PLAN		
	RATE OF RETURN	RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	13.47%	14.59%	HIGH	14.59%
BELL ATLANTIC	12.76%	10.99%	LOW	12.76%
BELLSOUTH	12.89%	14.60%	HIGH	14.60%
NYNEX	11.79%	8.68%	LOW	11.79%
PAC TEL	13.24%	13.61%	HIGH	13.61%
SW BELL	13.58%	11.19%	LOW	13.58%
USWEST	14.22%	12.36%	LOW	14.22%
TOTAL RBOC	13.08%	12.22%		13.57%
			LOW PLAN CO.'S=	13.03%
			HIGH PLAN CO.'S=	14.35%
			COMPOSITE "X"=	3.43%

**CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	2.00%		5.50%	
REINITIALIZATION =	2.00%		2.00%	
SHARING	YES		NO	
50% ABOVE	11.75%		0.00%	
LFAM @1% BELOW	11.75%		0.00%	
100% ABOVE	12.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-6/98)				
	LOW PLAN RATE OF RETURN	HIGH PLAN RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	12.37%	15.04%	HIGH	15.04%
BELL ATLANTIC	11.81%	11.40%	LOW	11.81%
BELLSOUTH	11.67%	15.03%	HIGH	15.03%
NYNEX	12.10%	9.06%	LOW	12.10%
PAC TEL	12.29%	14.04%	HIGH	14.04%
SW BELL	13.10%	11.57%	LOW	13.10%
USWEST	13.30%	12.74%	LOW	13.30%
TOTAL RBOC	12.32%	12.62%		13.45%
			LOW PLAN CO.'S=	12.53%
			HIGH PLAN CO.'S=	14.79%
			COMPOSITE "X"=	3.45%

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RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	2.00%		5.50%	
REINITIALIZATION =	3.00%		3.00%	
SHARING	YES		NO	
50% ABOVE	11.75%		0.00%	
LFAM @1% BELOW	11.75%		0.00%	
100% ABOVE	12.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-6/98)				
	LOW PLAN RATE OF RETURN	HIGH PLAN RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	12.16%	14.59%	HIGH	14.59%
BELL ATLANTIC	11.63%	10.99%	LOW	11.63%
BELLSOUTH	11.53%	14.60%	HIGH	14.60%
NYNEX	11.92%	8.68%	LOW	11.92%
PAC TEL	12.14%	13.61%	HIGH	13.61%
SW BELL	12.91%	11.19%	LOW	12.91%
USWEST	13.16%	12.36%	LOW	13.16%
TOTAL RBOC	12.16%	12.22%		13.17%
			LOW PLAN CO.'S=	12.36%
			HIGH PLAN CO.'S=	14.35%
			COMPOSITE "X"=	3.45%

**CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	2.50%		4.50%	
REINITIALIZATION =	2.00%		2.00%	
SHARING	YES		NO	
50% ABOVE	12.25%		0.00%	
LFAM @1% BELOW	11.25%		0.00%	
100% ABOVE	13.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
	RBOC RESULTS (7/95-6/98)			
	LOW PLAN	HIGH PLAN		
	RATE OF RETURN	RATE OF RETURN	SELECT ,	RATE OF RETURN
AMERITECH	13.39%	15.98%	HIGH	15.96%
BELL ATLANTIC	12.71%	12.23%	LOW	12.71%
BELLSOUTH	12.80%	15.89%	HIGH	15.89%
NYNEX	11.77%	9.82%	LOW	11.77%
PAC TEL	13.16%	14.89%	HIGH	14.89%
SW BELL	13.57%	12.35%	LOW	13.57%
USWEST	14.16%	13.51%	LOW	14.16%
TOTAL RBOC	13.02%	13.45%		14.08%
			LOW PLAN CO.'S=	13.00%
			HIGH PLAN CO.'S=	15.67%
			COMPOSITE "X"=	3.34%

**CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	2.50%		4.50%	
REINITIALIZATION =	3.00%		3.00%	
SHARING	YES		NO	
50% ABOVE	12.25%		0.00%	
LFAM @1% BELOW	11.25%		0.00%	
100% ABOVE	13.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-6/98)				
	LOW PLAN RATE OF RETURN	HIGH PLAN RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	13.19%	15.50%	HIGH	15.50%
BELL ATLANTIC	12.41%	11.81%	LOW	12.41%
BELLSOUTH	12.88%	15.45%	HIGH	15.45%
NYNEX	11.53%	9.43%	LOW	11.53%
PAC TEL	13.00%	14.45%	HIGH	14.45%
SW BELL	13.25%	11.96%	LOW	13.25%
USWEST	13.97%	13.12%	LOW	13.97%
TOTAL RBOC	12.80%	13.03%		13.74%
			LOW PLAN CO.'S=	12.73%
			HIGH PLAN CO.'S=	15.22%
			COMPOSITE "X"=	3.33%

**CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	2.50%		4.50%	
REINITIALIZATION =	2.00%		2.00%	
SHARING	YES		NO	
50% ABOVE	11.75%		0.00%	
LFAM @1% BELOW	11.75%		0.00%	
100% ABOVE	12.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-6/98)				
	LOW PLAN	HIGH PLAN		
	RATE OF RETURN	RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	12.09%	15.96%	HIGH	15.96%
BELL ATLANTIC	11.56%	12.23%	HIGH	12.23%
BELLSOUTH	11.45%	15.89%	HIGH	15.89%
NYNEX	11.85%	9.82%	LOW	11.85%
PAC TEL	12.06%	14.89%	HIGH	14.89%
SW BELL	12.86%	12.35%	LOW	12.86%
USWEST	13.08%	13.51%	HIGH	13.51%
TOTAL RBOC	12.08%	13.45%		13.83%
			LOW PLAN CO.'S=	12.30%
			HIGH PLAN CO.'S=	14.44%
			COMPOSITE "X"=	3.92%

CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	2.50%		4.50%	
REINITIALIZATION =	3.00%		3.00%	
SHARING	YES		NO	
50% ABOVE	11.75%		0.00%	
LFAM @1% BELOW	11.75%		0.00%	
100% ABOVE	12.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-6/98)				
	LOW PLAN	HIGH PLAN	SELECT	RATE OF RETURN
	RATE OF RETURN	RATE OF RETURN		
AMERITECH	11.89%	15.50%	HIGH	15.50%
BELL ATLANTIC	11.32%	11.81%	HIGH	11.81%
BELLSOUTH	11.31%	15.45%	HIGH	15.45%
NYNEX	11.68%	9.43%	LOW	11.68%
PAC TEL	11.91%	14.45%	HIGH	14.45%
SW BELL	12.59%	11.96%	LOW	12.59%
USWEST	12.94%	13.12%	HIGH	13.12%
TOTAL RBOC	11.90%	13.03%		13.47%
			LOW PLAN CO.'S=	12.08%
			HIGH PLAN CO.'S=	14.02%
			COMPOSITE "X"=	3.91%

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RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	2.50%		5.50%	
REINITIALIZATION =	2.00%		2.00%	
SHARING	YES		NO	
50% ABOVE	12.25%		0.00%	
LFAM @1% BELOW	11.25%		0.00%	
100% ABOVE	13.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-8/98)				
	LOW PLAN	HIGH PLAN		
	RATE OF RETURN	RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	13.39%	15.04%	HIGH	15.04%
BELL ATLANTIC	12.71%	11.40%	LOW	12.71%
BELLSOUTH	12.80%	15.03%	HIGH	15.03%
NYNEX	11.77%	9.06%	LOW	11.77%
PAC TEL	13.16%	14.04%	HIGH	14.04%
SW BELL	13.57%	11.57%	LOW	13.57%
USWEST	14.16%	12.74%	LOW	14.16%
TOTAL RBOC	13.02%	12.62%		13.72%
			LOW PLAN CO.'S=	13.00%
			HIGH PLAN CO.'S=	14.79%
			COMPOSITE "X"=	3.74%

**CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	2.50%		5.50%	
REINITIALIZATION =	3.00%		3.00%	
SHARING	YES		NO	
50% ABOVE	12.25%		0.00%	
LFAM @1% BELOW	11.25%		0.00%	
100% ABOVE	13.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-6/98)				
	LOW PLAN	HIGH PLAN		
	RATE OF RETURN	RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	13.19%	14.59%	HIGH	14.59%
BELL ATLANTIC	12.41%	10.99%	LOW	12.41%
BELLSOUTH	12.66%	14.60%	HIGH	14.60%
NYNEX	11.53%	8.68%	LOW	11.53%
PAC TEL	13.00%	13.61%	HIGH	13.61%
SW BELL	13.25%	11.19%	LOW	13.25%
USWEST	13.97%	12.36%	LOW	13.97%
TOTAL RBOC	12.80%	12.22%		13.39%
			LOW PLAN CO.'S=	12.73%
			HIGH PLAN CO.'S=	14.35%
			COMPOSITE "X"=	3.73%

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RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	2.50%		5.50%	
REINITIALIZATION =	2.00%		2.00%	
SHARING	YES		NO	
50% ABOVE	11.75%		0.00%	
LFAM @1% BELOW	11.75%		0.00%	
100% ABOVE	12.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-6/98)				
	LOW PLAN	HIGH PLAN		
	RATE OF RETURN	RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	12.09%	15.04%	HIGH	15.04%
BELL ATLANTIC	11.56%	11.40%	LOW	11.56%
BELLSOUTH	11.45%	15.03%	HIGH	15.03%
NYNEX	11.85%	9.06%	LOW	11.85%
PAC TEL	12.06%	14.04%	HIGH	14.04%
SW BELL	12.86%	11.57%	LOW	12.86%
USWEST	13.08%	12.74%	LOW	13.08%
TOTAL RBOC	12.08%	12.62%		13.30%
			LOW PLAN CO.'S=	12.29%
			HIGH PLAN CO.'S=	14.79%
			COMPOSITE "X"=	3.75%

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RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	2.50%		5.50%	
REINITIALIZATION =	3.00%		3.00%	
SHARING	YES		NO	
50% ABOVE	11.75%		0.00%	
LFAM @1% BELOW	11.75%		0.00%	
100% ABOVE	12.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-6/98)				
	LOW PLAN	HIGH PLAN		
	RATE OF RETURN	RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	11.89%	14.59%	HIGH	14.59%
BELL ATLANTIC	11.32%	10.99%	LOW	11.32%
BELLSOUTH	11.31%	14.60%	HIGH	14.60%
NYNEX	11.68%	8.68%	LOW	11.68%
PAC TEL	11.91%	13.61%	HIGH	13.61%
SW BELL	12.59%	11.19%	LOW	12.59%
USWEST	12.94%	12.36%	LOW	12.94%
TOTAL RBOC	11.90%	12.22%		13.01%
			LOW PLAN CO.'S=	12.08%
			HIGH PLAN CO.'S=	14.35%
			COMPOSITE "X"=	3.75%

**CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	3.00%		4.50%	
REINITIALIZATION =	2.00%		2.00%	
SHARING	YES		NO	
50% ABOVE	12.25%		0.00%	
LFAM @1% BELOW	11.25%		0.00%	
100% ABOVE	13.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-8/98)				
	LOW PLAN	HIGH PLAN		
	RATE OF RETURN	RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	13.11%	15.96%	HIGH	15.96%
BELL ATLANTIC	12.39%	12.23%	LOW	12.39%
BELLSOUTH	12.57%	15.89%	HIGH	15.89%
NYNEX	11.45%	9.82%	LOW	11.45%
PAC TEL	12.92%	14.89%	HIGH	14.89%
SW BELL	13.23%	12.35%	LOW	13.23%
USWEST	13.90%	13.51%	LOW	13.90%
TOTAL RBOC	12.74%	13.45%		13.90%
			LOW PLAN CO.'S=	12.69%
			HIGH PLAN CO.'S=	15.67%
			COMPOSITE "X"=	3.63%

**CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	3.00%		4.50%	
REINITIALIZATION =	3.00%		3.00%	
SHARING	YES		NO	
50% ABOVE	12.25%		0.00%	
LFAM @1% BELOW	11.25%		0.00%	
100% ABOVE	13.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-6/98)				
	LOW PLAN RATE OF RETURN	HIGH PLAN RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	12.91%	15.50%	HIGH	15.50%
BELL ATLANTIC	12.03%	11.81%	LOW	12.03%
BELLSOUTH	12.44%	15.45%	HIGH	15.45%
NYNEX	11.28%	9.43%	LOW	11.28%
PAC TEL	12.77%	14.45%	HIGH	14.45%
SW BELL	12.89%	11.96%	LOW	12.89%
USWEST	13.71%	13.12%	LOW	13.71%
TOTAL RBOC	12.52%	13.03%		13.56%
			LOW PLAN CO.'S=	12.43%
			HIGH PLAN CO.'S=	15.22%
			COMPOSITE "X"=	3.63%

CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	3.00%		4.50%	
REINITIALIZATION =	2.00%		2.00%	
SHARING	YES		NO	
50% ABOVE	11.75%		0.00%	
LFAM @1% BELOW	11.75%		0.00%	
100% ABOVE	12.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-6/98)				
	LOW PLAN	HIGH PLAN	SELECT	RATE OF RETURN
	RATE OF RETURN	RATE OF RETURN		
AMERITECH	11.82%	15.96%	HIGH	15.96%
BELL ATLANTIC	11.28%	12.23%	HIGH	12.23%
BELLSOUTH	11.23%	15.89%	HIGH	15.89%
NYNEX	11.61%	9.82%	LOW	11.61%
PAC TEL	11.83%	14.89%	HIGH	14.89%
SW BELL	12.57%	12.35%	LOW	12.57%
USWEST	12.86%	13.51%	HIGH	13.51%
TOTAL RBOC	11.83%	13.45%		13.76%
			LOW PLAN CO.'S=	12.03%
			HIGH PLAN CO.'S=	14.44%
			COMPOSITE "X" =	4.06%

**CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	3.00%		4.50%	
REINITIALIZATION =	3.00%		3.00%	
SHARING	YES		NO	
50% ABOVE	11.75%		0.00%	
LFAM @1% BELOW	11.75%		0.00%	
100% ABOVE	12.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-6/98)				
	LOW PLAN	HIGH PLAN		
	RATE OF RETURN	RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	11.62%	15.50%	HIGH	15.50%
BELL ATLANTIC	10.97%	11.81%	HIGH	11.81%
BELLSOUTH	11.09%	15.45%	HIGH	15.45%
NYNEX	11.44%	9.43%	LOW	11.44%
PAC TEL	11.68%	14.45%	HIGH	14.45%
SW BELL	12.21%	11.96%	LOW	12.21%
USWEST	12.72%	13.12%	HIGH	13.12%
TOTAL RBOC	11.63%	13.03%		13.38%
			LOW PLAN CO.'S=	11.78%
			HIGH PLAN CO.'S=	14.02%
			COMPOSITE "X"=	4.06%

**CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	3.00%		5.50%	
REINITIALIZATION =	2.00%		2.00%	
SHARING	YES		NO	
50% ABOVE	12.25%		0.00%	
LFAM @1% BELOW	11.25%		0.00%	
100% ABOVE	13.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
	RBOC RESULTS (7/95-6/98)			
	LOW PLAN	HIGH PLAN		
	RATE OF RETURN	RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	13.11%	15.04%	HIGH	15.04%
BELL ATLANTIC	12.39%	11.40%	LOW	12.39%
BELLSOUTH	12.57%	15.03%	HIGH	15.03%
NYNEX	11.45%	9.06%	LOW	11.45%
PAC TEL	12.92%	14.04%	HIGH	14.04%
SW BELL	13.23%	11.57%	LOW	13.23%
USWEST	13.90%	12.74%	LOW	13.90%
TOTAL RBOC	12.74%	12.62%		13.54%
			LOW PLAN CO.'S=	12.69%
			HIGH PLAN CO.'S=	14.79%
			COMPOSITE "X"=	4.04%

**CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	3.00%		5.50%	
REINITIALIZATION =	3.00%		3.00%	
SHARING	YES		NO	
50% ABOVE	12.25%		0.00%	
LFAM @1% BELOW	11.25%		0.00%	
100% ABOVE	13.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-6/98)				
	LOW PLAN	HIGH PLAN		
	RATE OF RETURN	RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	12.91%	14.59%	HIGH	14.59%
BELL ATLANTIC	12.03%	10.99%	LOW	12.03%
BELLSOUTH	12.44%	14.60%	HIGH	14.60%
NYNEX	11.28%	8.68%	LOW	11.28%
PAC TEL	12.77%	13.61%	HIGH	13.61%
SW BELL	12.89%	11.19%	LOW	12.89%
USWEST	13.71%	12.36%	LOW	13.71%
TOTAL RBOC	12.52%	12.22%		13.21%
			LOW PLAN CO.'S=	12.43%
			HIGH PLAN CO.'S=	14.35%
			COMPOSITE "X"=	4.03%

**CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS**

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	3.00%		5.50%	
REINITIALIZATION =	2.00%		2.00%	
SHARING	YES		NO	
50% ABOVE	11.75%		0.00%	
LFAM @1% BELOW	11.75%		0.00%	
100% ABOVE	12.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-6/98)				
	LOW PLAN	HIGH PLAN		
	RATE OF RETURN	RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	11.82%	15.04%	HIGH	15.04%
BELL ATLANTIC	11.28%	11.40%	HIGH	11.40%
BELLSOUTH	11.23%	15.03%	HIGH	15.03%
NYNEX	11.61%	9.06%	LOW	11.61%
PAC TEL	11.83%	14.04%	HIGH	14.04%
SW BELL	12.57%	11.57%	LOW	12.57%
USWEST	12.86%	12.74%	LOW	12.86%
TOTAL RBOC	11.83%	12.62%		13.17%
			LOW PLAN CO.'S=	12.31%
			HIGH PLAN CO.'S=	13.82%
			COMPOSITE "X"=	4.44%

CC DOCKET 94-1
RBOC RATES OF RETURN
UNDER ALTERNATIVE SCENARIOS

	LOW "X" SCENARIO		HIGH "X" SCENARIO	
"X" VALUE =	3.00%		5.50%	
REINITIALIZATION =	3.00%		3.00%	
SHARING	YES		NO	
50% ABOVE	11.75%		0.00%	
LFAM @1% BELOW	11.75%		0.00%	
100% ABOVE	12.25%		0.00%	
ADDBACK	1		1	
CL FORMULA	BAL 50/50		BAL 50/50	
	1		1	
RBOC RESULTS (7/95-6/98)				
	LOW PLAN	HIGH PLAN		
	RATE OF RETURN	RATE OF RETURN	SELECT	RATE OF RETURN
AMERITECH	11.62%	14.59%	HIGH	14.59%
BELL ATLANTIC	10.97%	10.99%	LOW	10.97%
BELLSOUTH	11.09%	14.60%	HIGH	14.60%
NYNEX	11.44%	8.68%	LOW	11.44%
PAC TEL	11.68%	13.61%	HIGH	13.61%
SW BELL	12.21%	11.19%	LOW	12.21%
USWEST	12.72%	12.36%	LOW	12.72%
TOTAL RBOC	11.63%	12.22%		12.83%
			LOW PLAN CO.'S=	11.79%
			HIGH PLAN CO.'S=	14.35%
			COMPOSITE "X"=	4.04%